Policy on Supplemental Compensation on Sponsored Agreements

Participation in research projects and other sponsored programs is considered to be part of regular faculty and certain staff assignments. Adjustments to the effort given to other assignments such as teaching may need to be reallocated and should be managed by the Dean of the individual college based on the length of the employment contract. Faculty and staff should be compensated at the University approved base salary based on the federal regulations governing the use of external funds. OMB Circular A-21 states

“Charges for work performed on sponsored agreements during all or any portion of such period are allowable at the base salary rate. In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period. This principle applies to all members of the faculty at an institution. Since intra university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full time base salary, the principle also applies to faculty members who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member of the same institution. “

The only exception that allows for supplemental pay at the base rate is defined by OMB Circular A-21 as

“However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency. “

Any request for supplemental pay, should meet the requirements listed in OMB Circular A-21 as an unusual case and support why release time from regular departmental load cannot be utilized. Justification for supplemental pay from a sponsored agreement should be attached to a proposal transmittal form and specifically written into the budget of the proposal prior to submission. Supplemental pay has to be documented in the sponsored agreement and approved by the sponsoring agency. The Grant and Contract Accounting Office will review the justification provided with final approval from the Provost. To allow enough time for review and consultation, please provide the justification along with the proposal two weeks prior to submission deadline. If approved, the supplemental pay will be for the uncommon additional assignments as defined in OMB Circular A-21 but paid only at the University approved base salary.